



NEWS RELEASE

CALIFORNIA STATE TREASURER PHILIP ANGELIDES

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STATE TREASURER ANGELIDES SELLS SCHOOL BONDS AT LOWER COST DUE TO CREDIT RATING UPGRADE

SACRAMENTO, CA – California State Treasurer Philip Angelides today sold \$400,000,000 in General Obligation bonds to support the modernization and new construction of classrooms throughout California, saving millions of dollars as the result of the State's recent credit rating upgrade.

"The good news is that we are moving these funds quickly, and saving taxpayers money," said Angelides. "The bad news is that there are still enormous needs to be met, especially in regard to schools."

Today's bond sale is the first for the State since its credit rating upgrade by Standard & Poor's, from A+ to AA-.

Four bids were received in the competitive sale from syndicates led by Merrill Lynch & Co., Banc of America Securities, Bear Stearns and Goldman Sachs. The bonds were awarded to Merrill Lynch & Co. at a true interest cost of 5.3996%.

The total of general obligation bonds issued this year now stands at \$1.6 billion. Over the next 12 months, it is expected that another \$2 billion in General Obligation bonds will be sold, including up to \$1.2 billion for additional educational facilities under Proposition 1A.

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